

SENATE No. 2021

[LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

Michael O. Moore

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

AN ACT PROVIDING FOR THE WORK FORCE REDUCTION OF THE CITY OF
WORCESTER THROUGH AN EARLY RETIREMENT INCENTIVE PROGRAM FOR
CERTAIN EMPLOYEES.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|-----------------------|-------------------|
| Michael O. Moore | Second Worcester |
| Harriette L. Chandler | First Worcester |

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT PROVIDING FOR THE WORK FORCE REDUCTION OF THE CITY OF WORCESTER THROUGH AN EARLY RETIREMENT INCENTIVE PROGRAM FOR CERTAIN EMPLOYEES.

Whereas, The deferred operation for this act would tend to defeat its purpose, which is forthwith to preserve core services and minimize the number of layoffs, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Notwithstanding the provisions of Chapter 32 as appearing in the 2008 Official
2 Edition of the General Laws, or any other general or special law to the contrary, the provisions of this act
3 providing for an early retirement incentive program shall apply to an eligible employee who: (i) shall be
4 an employee of the City of Worcester and an active member in service of the City of Worcester retirement
5 system; (ii) shall be eligible to receive a superannuation retirement allowance in accordance with
6 subdivision (1) of section 5 or subdivision (1) of section 10 of said Chapter 32 upon the effective
7 retirement date specified in his or her written application to the retirement system; (iii) shall have filed a
8 written application with said retirement system in accordance with the seventh paragraph of this section;
9 and (iv) shall be classified in Group 1 (exclusive of Public School personnel) or Group 2 in accordance
10 with clause (9) of subdivision (2) of section 3 of said Chapter 32.

11 For the purposes of this Act, “legislative authority” shall mean the City Council of the City of Worcester
12 and “executive authority” shall mean the City Manager of the City of Worcester. The early retirement
13 incentive program shall be administered by the City of Worcester retirement board which shall
14 promulgate regulations to implement this program.

15 Notwithstanding said Chapter 32 to the contrary, the normal yearly amount of the retirement allowance
16 for an eligible employee shall be based on the average annual rate of regular compensation as determined
17 under paragraph (a) of subdivision (2) of section 5 of said Chapter 32 and shall be computed according to
18 the table contained in said paragraph (a) based on the age of such member and his or her number of years
19 and full months of creditable service at the time of his or her retirement, increased either by adding up to
20 5 years of age or by adding up to 5 years of creditable service or by a combination of additional years of
21 age and service the sum of which shall not be greater than 5.

22 The executive authority may limit the total number of employees for whom he will approve a retirement
23 calculated under this Act or the total number of employees within each group classification for whom he
24 will approve a retirement calculated under this Act; provided further, that if participation is limited, the
25 retirement of employees with greater years of creditable service shall be approved before approval shall
26 be given to employees with lesser years of creditable service.

27 Words used in this Act shall have the same meaning as they are used in said Chapter 32 unless
28 otherwise expressly provided or unless the context clearly requires otherwise. An eligible employee who
29 retires and receives an additional benefit in accordance with this section shall be deemed to be retired for
30 superannuation under said Chapter 32 and shall be subject to all of said Chapter 32; provided, however,
31 that for the purposes of this section and notwithstanding subdivision (1) of section 10 of said Chapter 32
32 requiring a member classified in Group 2 to have attained age 55 on the date of his or her termination of
33 service in order to receive a Group 2 benefit, any employee eligible pursuant to the criteria established in
34 this section who is classified in Group 2 and who is at least 50 years of age but not yet 55 years of age

shall be eligible for a retirement allowance equal to that prescribed for a member classified in Group 2 upon the application for the additional benefit in accordance with this section.

The total normal yearly amount of the retirement allowance, as determined in accordance with section 5 of said Chapter 32, of an eligible employee who retires and receives an additional benefit under the early retirement incentive program in accordance with this section shall not exceed 80 percent of the average annual rate of his or her regular compensation received during any period of 3 consecutive years of creditable service for which the rate of compensation was the highest, or of the average annual rate of his or her regular compensation received during the periods, whether or not consecutive, constituting his or her last 3 years of creditable service preceding retirement, whichever is greater.

Notwithstanding any provision of section 5 of said Chapter 32 that requires a retirement date within 4 months of the filing of an application for superannuation retirement in order to receive the retirement benefit provided by this section, an eligible employee shall file his or her application for retirement not later than a date determined by the executive authority, which shall be no later than March 31, 2009. The retirement date for eligible employees shall be determined by the executive authority and shall not be earlier than the effective date of this Act and shall be no later than April 30, 2009, provided, however, that notwithstanding section 2 of this Act, the date of retirement for employees of the City of Worcester retirement board shall be 30 days after the retirement date determined by the executive authority.

The executive director of the public employee retirement administration commission shall analyze, study and value the costs and the actuarial liabilities attributable to the additional benefits payable in accordance with the early retirement incentive program established by this section. The executive director shall file a report of his findings to the board, in writing, on or before December 31, 2009, together with copies thereof to the Worcester City Council.

In accordance with section 22D of said Chapter 32, the City of Worcester retirement board shall revise its retirement funding schedule to reflect the costs and the actuarial liabilities attributable to the additional

benefits payable under the retirement incentive program in accordance with this section. In each of the fiscal years until the actuarial liability determined under this section shall be reduced to zero, it shall be an obligation of the City of Worcester to fund such liability and there shall be appropriated to the applicable pension reserve fund in each such fiscal year and the amount required by the funding schedule and the updates thereto.

SECTION 2. The City of Worcester shall provide to employees of the retirement board of the City's retirement system the same rights and privileges of the early retirement incentive program as provided in the above Section 1 under the same terms and conditions of that retirement program.

SECTION 3. This Act shall take effect upon passage.